



## Legislation Text

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**File #:** 14-0987, **Version:** 1

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Resolution to Award a Construction Contract to Bailey Excavating, Inc. for the Springwater Subdivision Improvements Project - Phase I (\$1,537,608.00; Bid No. ITB-4323)

Attached for your review and approval please find a resolution that awards a construction contract to Bailey Excavating, Inc. in the amount of \$1,537,806.00 for the Springwater Subdivision Improvements Project - Phase I.

The FY 2014-2019 Capital Improvements Plan (CIP) includes the Springwater Subdivision Improvements Project - Phase I, and Funds are available in the approved capital budgets as follows: Street Millage (\$883,316.00), Stormwater (\$903,065.00), and Drinking Water (\$489,574.00); for a total project cost of \$2,275,955.

This project consists of the reconstruction of Butternut Street from Cardinal Avenue to Springbrook Avenue and Nordman Avenue from Packard Road to Redwood Avenue. The project includes replacing the existing water main and performing stormwater system improvements, including construction of sand filters within the Butternut Street and Nordman Avenue right-of-way. The project is expected to begin in August of 2014 and be completed in the fall of 2014.

The stormwater portion of this project is being financed with State Revolving Funds (SRF) and has been approved for a low interest (2.5%) loan, which will be secured by the Washtenaw County Water Resources Commissioner. The reason for financing a portion of the storm water improvements with SRF is the potential eligibility for 50% loan forgiveness. This loan will reimburse a portion of the Storm Water System Funds being allocated to the project. The Water Resources Commissioner will be assessing the City over a maximum of 20 years for this project for repayment of the loan. The first payment is planned for the Storm Water Fund Operations and Maintenance Budget for FY16. Payments for FY16 and subsequent payments will be included in the annual storm water budget submittals. Resolution R-12-578 authorizes the annual payment to the County for this project from the Storm Water System Fund pending annual budget approvals by Council.

Plans and specifications were made available through BidNet. Three bids were received and opened on June 16, 2014. The lowest responsible bid, in the amount of \$1,537,608.00 was \$29,179.75 above the engineer's estimate of \$1,508,626.25. Attached is a tabulation of the bids received for the project.

Bailey Excavating, Inc. has received Human Rights approval and all employees of who will work on this project will receive compensation in accordance with the Living Wage Ordinance.

Prepared by: Nicholas Hutchinson, P.E., City Engineer

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Stephen D. Powers, City Administrator

Whereas, The City of Ann Arbor Adopted Capital Budget includes the Springwater Subdivision Improvements Project - Phase I;

Whereas, It is necessary to replace existing water main and stormwater improvements in advance of the full depth road reconstruction to continue to provide reliable drinking water service and sewer service;

Whereas, Funds are available in the approved capital budgets as follows: Street Millage (\$883,316.00), Stormwater (\$903,065.00), and Water (\$489,574.00);

Whereas, Competitive bids were received by the Office of Procurement on June 16, 2014 and Bailey Excavating, Inc. was the lowest responsible bidder with a submitted bid of \$1,537,608.00;

Whereas, The storm water quality management portion of this project is being financed with State Revolving Funds (SRF) and has been approved for a low interest (2.5%) loan, which will be secured by the Washtenaw County Water Resources Commissioner;

Whereas, The SRF loan will reimburse a portion of the expenditures from the Storm Water System Fund being allocated to the project, and the Water Resources Commissioner will be assessing the City over a maximum of 20 years for this project for repayment of the loan;

Whereas, The first loan payment is included in the planned Storm Water Fund Operations and Maintenance Budget for FY16 and subsequent payments will be included in the annual storm water budget submittals pursuant to Resolution R-12-578 which authorized the annual payment to the County for this project from the Storm Water System Fund pending annual budget approvals by Council;

Whereas, The contractual proposal sets forth the services to be performed by said company, and the payments to be made by the City therefore, all of which are agreeable to the City;

Whereas, It is now necessary to enter into a Contract with said company for this construction project;

Whereas, Bailey Excavating, Inc. has received Human Rights approval and complies with the Living Wage Ordinance; and

RESOLVED, That a contract in the amount of \$1,537,806.00 be awarded to Bailey Excavating, Inc. for the construction of the Springwater Subdivision Improvements Project - Phase I, ITB #4323;

RESOLVED, That a contract contingency amount of \$155,000.00 be established and that the City Administrator be authorized to approve additional change orders to the construction contract with Bailey Excavating, Inc. not to exceed \$155,000.00 in order to satisfactorily complete this project;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said contract after approval as to form by the City Attorney, and approval as to substance by the City Administrator;

RESOLVED, That the City makes the following declaration for the purposes of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expects to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds; and

RESOLVED, That the City Administrator be authorized to take necessary administrative actions to

implement this resolution, including issuing temporary and permanent Traffic Control Orders and night work authorizations as required for the construction of the project.